Phase-In

Pro

- Larger industry
- Smaller mix shift
- Greater opportunity for managing IFO through phased-in pricing, building reserves, etc.
- Less likely that Congress will come back for more
- Less momentum for contraband

Con

- Lengthens time of heightened consumer awareness of FET increase
- Provides time and funds (through phased-in pricing) for competitive initiatives

Source: https://www.industrydocuments.ucsf.edu/docs/hxln0004